

Message Text

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51

ACTION EB-07

INFO OCT-01 ARA-06 EUR-12 EA-06 ISO-00 INT-05 COME-00

TRSE-00 OMB-01 CIEP-01 STR-01 AF-06 NEA-09 RSC-01

OIC-02 CIAE-00 DODE-00 INR-07 NSAE-00 PA-01 USIA-06

PRS-01 SP-02 IO-10 GSA-01 SS-15 NSC-05 L-02 H-01

/109 W

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R 041403Z FEB 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 7911

INFO AMEMBASSY LA PAZ

AMEMBASSY KUALA LUMPUR

C O N F I D E N T I A L LONDON 01697

FOR MICHAEL DUX, EB/ORF/ICD

E.O. 11652: GDS

TAGS: EMIN

SUBJ: TIN: INTERNATIONAL TIN COUNCIL ADOPTS NEW PRICE
RANGES IN STORMY SESSION

1. SUMMARY - INTRODUCTION: THE 16TH SESSION OF THE
INTERNATIONAL TIN COUNCIL (ITC) WAS HELD IN LONDON,
JANUARY 28-31, 1975. WHILE THE US IS NOT A MEMBER AND
WAS NOT INVITED TO OBSERVE THE MEETINGS, WE WERE
INFORMED THAT THE SESSIONS WERE STORMY, WITH THE PRO-
DUCERS DEMANDING AN INCREASE IN THE FLOOR PRICE OF TIN
FROM THE OLD 850 MALAYSIAN DOLLARS PER PICUL TO
M\$1000, WHILE THE CONSUMERS REFUSED TO BUDGE UNTIL THE
LAST MINUTE. A COMPROMISE WAS FINALLY WORKED OUT,
WITH A M\$50 FLOOR PRICE INCREASE AND FOLLOWING PRICE
RANGE ADJUSTMENTS:

FLOOR PRICE	900
LOWER SECTOR	900-980

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MIDDLE SECTOR	980-1,040
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UPPER SECTOR 1,040-1,100
CEILING 1,100

2. CONSUMER GROUP CHAIRMAN KEITH BUCK (CANADA) AND ITC EXECUTIVE CHAIRMAN ALLEN PROVIDED EMBASSY WITH DETAILS OF MEETING. BUCK IMPLIED MEETINGS AT ONE STAGE CLOSE TO BREAKING POINT WITH NEITHER SIDE WILLING TO GIVE. CONSUMERS FELT THERE WAS NO JUSTIFICATION FOR INCREASE, WITH THE FRG PARTICULARLY ADAMANT AGAINST. COMPROMISE WAS FINALLY WORKED OUT BY BUCK AND PRODUCER GROUP CHAIRMAN MIRANDA (BOLIVIA), WHO, BUCK SAID, DISREGARDED INSTRUCTIONS RECEIVED LATE FRIDAY TO HOLD OUT FOR M\$1000 FLOOR PRICE IN ORDER TO GO THROUGH WITH COMPROMISE. ALLEN CONFIRMED THAT MEETING WAS "ROUGH GOING" AND THAT PRODUCERS WERE UNHAPPY WITH RESULT. HE THOUGHT THE MARKET WAS PREPARED TO GO ALONG WITH THE HIGHER PRICE, BUT CONSUMER GOVERNMENTS OBVIOUSLY WERE NOT. COUNCIL'S DECISION WILL BE SUBJECT TO REVIEW IN SIX MONTHS, AT WHICH TIME BUCK FELT THE ATMOSPHERE WOULD BE BETTER. ALLEN, HOWEVER, WAS MUCH LESS OPTIMISTIC. HE FELT THAT BITTER TASTE LEFT BY THIS MEETING WOULD JUST ADD TO GROWING PRODUCER PRESSURE.

3. PRESS COMMUNIQUE OF MEETING(BEING POUCHED) NOTED THAT COUNCIL ALSO REVIEWED GSA STOCKPILE DISPOSALS AND THAT THE ITC BUFFER STOCK HOLDINGS AS OF END OF SEPTEMBER WERE 122 METRIC TONS.

SPIERS

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Margaret P. Grafeld
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